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**Time for a PAT Answer**

The Port Authority of Allegheny County (PAT) is another voice in a growing chorus of local governments and government agencies singing the financial blues. According to newspaper reports, it is facing a shortfall of roughly \$19 million this year. The bulk of the deficit--\$13 million--has arisen from pay and benefit increases, specifically for health care and pensions. PAT's solution is to appeal to the state for a restoration of funds along with making \$5 million in administrative cuts. It also plans to raise fares, reduce service, or enact a combination of both.

The problem is that even if the Authority adjusts fares or services this year, and manages to close the deficit with state help, there is no guarantee that the same situation won't arise again next year. So rather than simply contemplating increased fares or reduced service as a stopgap measure for the coming year, officials at the PAT system would be well advised to take a serious look at its costs and explore solutions that would move transit toward a more affordable and competitive arrangement in the long term.

On this point, we already know that the construction and capital costs of the authority's fixed route systems are very expensive. As we pointed out in a previous *Policy Brief (Volume 2, Number 18)*, the Authority's capital costs on busways and light rail systems were well above comparable systems across the country. Its most recently constructed busway, which serves the western suburbs of Allegheny County, cost \$51 million per-mile. Adjusted for year 2000 dollars, this was much higher than comparable systems in Orlando, Miami, and Ottawa.

Assuming the budget problem is not solved in a timely manner, PAT officials ought to consider loosening the Authority's hold on mass transit in Allegheny County. Rather than cause weekend riders to lose transportation, PAT should allow major employers and local transportation companies to put together an arrangement that would provide transportation for workers and others who need to get to malls, the airport, hospitals, etc.

While weekend ridership is smaller than the weekday level, that ridership is still large enough to provide adequate revenue for an entrepreneurial fleet of shuttle vans offering service on the weekends. American Public Transit Association data on vanpools (vans that operate as a rideshare arrangement for people traveling from one destination to another) show that nationwide, vanpools have an average operating cost of \$0.55 per vehicle mile. When compared to PAT's operating cost per vehicle mile in 2001 for buses (\$5.19) and light rail (\$16.99), this option is vastly less expensive and offers a reasonably priced means of providing the desired weekend service.

Employers who rely on workers dependent on weekend transit, including stores in the regional shopping malls, restaurants, universities, hospitals and hotels, should convene as a group and urge

PAT to permit operators of shuttle services to serve weekend riders. These carriers would be allowed to put together a consortium and contract with the employers to carry passengers over the major routes from downtown and other central locations to key destinations such as Monroeville, North Hills, Oakland, the Waterfront, South Hills and the airport area. Should the per passenger cost exceed the regular PAT fare, employers could agree to cover the additional costs. All the Port Authority has to do is permit the service to happen without imposing undue limitations that interfere with the ability of the market to work efficiently.

Longer term, PAT should welcome transportation companies who can serve a variety of niche markets with small, less expensive vehicles. In so doing, they should be able to reduce their own costs while being able to provide better overall service to the residents of Allegheny County.

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